(This notice is current until rescinded)

O+M -1

NOTICE NO.   LN   7-3
LN 7-3   FN 7-79
FN 7-79   MANAGEMENT
                                                                 16 April 1979

POLICIES AND PROCEDURES TO IMPROVE THE CONIF III
SYSTEM AND PROCESSING OF CONTRACTOR INVOICES

1.   The purpose of this joint Office of Finance (OF)
and Office of Logistics (OL) notice is to set forth agree-
ments and understandings between the two offices related to
procedures to improve the CONIF III system and the processing
of contractor invoices.

2.   The agreements and understandings are as follows:

A.   Withholding Provisions

The only mandatory withholding requirement
in the Agency contract "General Provisions" is set forth
in Section F (Time and Material Provisions) under
Article 5 entitled "Payments." All other provisions
require a determination by the contracting officer
that the right to withhold be invoked. Effective
with the issuance of this notice, the Audit and
Certification Division, OF (A&CD/OF), will withhold
amounts from contractor's invoices only when the
contracting officer invokes the right to withhold
by submission of the appropriate data on Form 1218,
"Procurement Justification and Routing Sheet," to the
OL/Procurement Management Staff (OL/PMS) CONIF input
team for input into the CONIF system. The code NWITH
shall be typed on Form 1218 if no withholding is required.

B.   Type Payment

This information is no longer required to
be included on Form 1218. All payments out of CONIF
will be made by Treasury check. If there are special
circumstances which would require issuance of a
cashier's check, the contracting officer should make
special arrangements with Chief, A&CD/OF.

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C. <u>Payment Information - Secure Data for Payment</u>

This information is no longer required to be provided on the Form 1218. The OL/PMS CONIF input team, in cooperation with the OL Security Staff (OL/SS), will input the payment information, based upon OL/SS approved vendor addresses [   ]   STAT
Contracts requiring special payment provisions must be coordinated with OL/SS.

D. <u>Financial Information</u>

The FAN, ORN, LCN, Cost Center, and SOC financial data applicable to Forms 2420 and 88 are no longer required on the Form 1218. This data will be entered into the CONIF/GAS system by the operating components' budget and finance officers.

E. <u>Original Contract</u>

The requirement for distribution of an "original" contract under OF Notice 12-77, dated 1 June 1977, is hereby waived. A copy of the signed contract will suffice for purposes of documenting and recording contractual obligations. To save dollars and conserve storage space, a copy of the "General Provisions" is no longer required to be distributed to OF with each contract. OL/PMS is responsible for providing copies of current "General Provisions" to the various OF components which have a need to maintain a master file. Contracting officers are responsible for ensuring that each contract incorporates the appropriate "General Provisions" and cites the date of issue.

3. It is expected that the implementation of the above agreements and understanding will materially improve the CONIF system and contribute toward a more efficient process for payment of contractor invoices.

STAT

James H. McDonald
Director of Logistics

STAT

Edward L. Sherman
Director of Finance

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MEMORANDUM FOR: Deputy Chief, Plans & Programs Staff, OL

STAT

FROM:

Deputy Chief, Procurement Management Staff, OL

SUBJECT: Office of Finance(OF)/Office of Logistics(OL) Notice

Attached hereto is the joint OF/OL Notice on "Policies and Procedures to Improve the CONIF III System and Processing of Contractor Invoices." This notice should be effective on 1 May 1979. I have notified [   ] of the STAT effective date and he has concurred. Would you please take the necessary steps to implement the notice through OL and OF channels? I am going to send a copy of this notice to all the procurement units by way of a procurement note.

STA

Attachment

2 7 FEB 1979

MEMORANDUM FOR: Director of Logistics
Director of Finance

TAT   FROM:

Deputy Chief, Procurement Management Staff, OL

SUBJECT: Policies and Procedures to Improve the CONIF III
System and Processing of Contractor Invoices

REFERENCE: Joint Office of Finance and Office of Logistics
Notice, same subject (attached)

1. <u>Action Requested</u>: That the Director of Logistics and
the Director of Finance sign the attached joint notice to imple-
ment the policies and procedures set forth therein.

2. <u>Background</u>: There has been considerable interest shown
on the subjects of (a) lack of accuracy on data inputted into
the CONIF III system and (b) prompt payment of contractor
invoices. As recently as 25 January 1979, the Office of the
Inspector General (OIG) issued to the Office of Logistics (OL)
and the Office of Finance (OF) an audit report which expressed
the IG's concern over the integrity of the data being inputted
into the CONIF III system. Also, OF and OL are currently involved
in a joint MBO project to review the Agency's system for paying
contractor invoices.

3. <u>Staff Position</u>: The attached joint notice has been
coordinated with the appropriate components of both OL and OF.
It is believed that implementation of the policies and procedures
set forth therein will result in a decrease in the error rate of
data being inputted into the CONIF III system and an improvement
in our ability to process contractor invoices in a timely fashion.

4. <u>Recommendation</u>: It is recommended that the attached
joint notice be signed by the Director of Logistics and the
Director of Finance.

STA

Attachment

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